

El Paso County Economic & Workforce Progress Report (EPR)

Highlights - June 2026

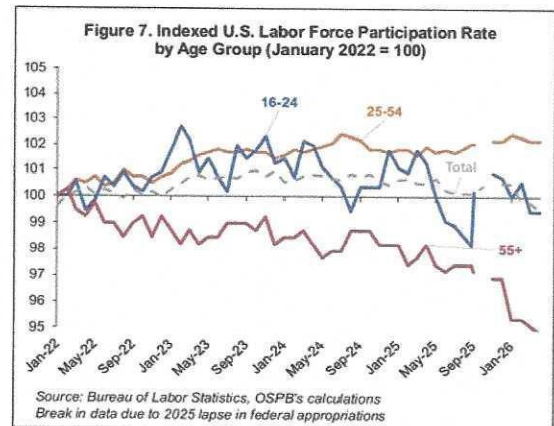
Data through the first quarter of 2026 shows continued resilience in the U.S. economy with **Real Gross Domestic Product, or GDP, {Page 3}** growing at a 2.1% annualized rate (or 2.7% compared to the same quarter last year). Interestingly, Colorado underperformed the U.S. with annualized growth of only 1.4% in Q1, although the year-over-year increase matched the nation at 2.7%. In the Governor's Revenue Estimating Advisory Committee (GREAC) meetings, we continue to discuss this slowdown. There are many contributing factors, but the biggest is lower population growth combined with an aging population. Fewer workers mean less employment and slower business growth. Full stop.

Not unlike last month's statement, there remains a disconnect between economic fundamentals and consumer perceptions. **Consumer Sentiment {Page 3}** improved from a historic low of 44.8 in May to 49.5 in June, but compared to the pre-pandemic range of roughly 90 to 100, "improvement" is relative. Persistent inflation, high interest rates, and concerns about purchasing power continue to weigh heavily on consumers. While aggregate metrics like GDP remain resilient, I pay close attention to how consumers are feeling, how they are spending, and whether they still have financial buffers.

In terms of spending, retail sales remain positive, but two important caveats are often overlooked. First, retail sales are reported in nominal—not inflation-adjusted—dollars. Sales increased 6.9% in May compared to one year earlier, but after adjusting for inflation, real retail sales rose only 2.6% - that's a big difference. Second, we need to understand who is spending the money and where it is going. Higher-income households continue to account for much of the spending growth, supported in part by continued stock market gains. Meanwhile, lower-income households are increasingly shifting spending toward necessities and away from discretionary purchases as **Inflation {Page 3}** remained elevated at 4.2% year-over-year in May. Their financial cushion also continues to erode, with the personal savings rate remaining historically low at just 3.0%. All this helps explain the [disconnect between key macroeconomic data and the average American perception of the economy](#).

One bright spot, however, is that labor market conditions remain relatively healthy, and that also plays into some degree of continued spending. If people feel secure in their jobs—or confident they can find another one—that helps offset concerns about low savings rates and persistently high prices. The seasonally adjusted **U.S. Unemployment Rate {Page 3}** held steady at 4.3% between April and May, while the non-seasonally adjusted rate edged up from 4.0% to 4.1%. **Colorado's Unemployment Rate {Page 3}** increased from 3.5% to 3.7%, and **El Paso County's Rate {Page 3}** rose modestly from 3.6% to 3.8%.

Another important labor market indicator is **U.S. Job Openings {Page 4}**, which had a nice bump in April (up 10%) and then held steady in May at roughly 7.6 million openings. However, the **U.S. Labor Force Participation Rate {Page 4}** remained at 61.8%, its lowest level since 2021. This measure captures the share of people age 16 and older who are either working or actively looking for work. The low participation rate reflects several factors, including an aging population, but a more recent concern is that workers age 55 and older are now leaving the labor force in greater numbers. This is significant because these older workers have helped offset decades of declining participation among working-age Americans, particularly younger men. My theory is that many older Americans are feeling financially secure, with paid-off homes, substantial housing appreciation, and strong retirement accounts fueled in large part by stock market gains. In other words, financially secure older workers are increasingly saying "peace out," and that represents a structural challenge for the U.S. economy as well as our global competitiveness.



Now, let's layer in another critical component: the recent Supreme Court decision involving birthright citizenship for children of undocumented immigrants. While this is a highly sensitive political issue, I focus on the numbers, particularly in light of our aging population, low (U.S. born) labor force participation, and declining participation among older workers. Objectively, immigrants play a substantial role in the labor market. According to the Bureau of Labor Statistics ([bls.gov](https://www.bls.gov)), foreign-born workers accounted for 19.1% of the U.S. civilian labor force in 2025 and had a labor force participation rate of 66.3%, well above the 61.2% rate for native-born workers. Foreign-born workers were also more likely to work full time and are heavily concentrated in construction, agriculture, transportation, hospitality, and professional services. At the same time, Pew Research Center estimates the unauthorized immigrant population reached a record 14 million people in 2023, including approximately 9.7 million workers, or 5.6% of the nation's labor force. Together, these data illustrate how both legal and unauthorized immigrants have become integrated into the U.S. economy, particularly in sectors facing labor shortages, suggesting immigration policy changes could have meaningful implications for labor supply, workforce availability, and economic growth.

[Page 3 - Macroeconomic "Big Picture"](#)

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The one subjective point I will add is that I see no reason a country as advanced as ours should not be able to develop streamlined, secure immigration policies. Our national competitiveness—and tax base—depends on it as the population continues to age. Also important are supports that enable Americans to work, including accessible and affordable childcare and elder care. These investments more than pay for themselves when compared to the economic costs of individuals remaining outside the labor force.

Locally, the Colorado Springs Metropolitan Statistical Area remained comparatively balanced. **Local Job Openings {Page 5}** increased from 18,283 in April to 19,809 in May, while the number of unemployed residents rose from 13,822 to 14,639. Even with increases in both measures, the ratio of available workers per job opening held steady at 0.74, indicating employers continue to compete for workers across many occupations.

In terms of housing in the Pikes Peak region, **Existing Home Sales {Page 7}** increased from 1,124 in April to 1,251 in May, showing buyers are still entering the market despite higher borrowing costs. The 30-year mortgage rate increased from 6.33% in April to 6.44% in May and stood at 6.54% as of June 30. **Single-and-Multi-Family Permits {Page 7}** have remained relatively steady over the past three months, but overall permitting activity is still low. It's that odd irony of higher interest rates making homes less affordable, which reduces housing demand, which then reduces building activity. BUT, we have a housing shortage and need more construction, especially in the affordable range. As such, high interest rates are a major impediment to fixing the housing crisis.

While housing affordability remains one of the region's most significant long-term economic challenges, there are encouraging signs of progress. New statewide regulations taking effect at the end of June are intended to streamline approvals for modular and factory-built housing through more standardized statewide requirements. Several affordable housing developments in the Pikes Peak region have also recently received tax credits, while additional senior housing projects continue to move forward. Individually these efforts will not solve the housing shortage, but collectively they should help expand the affordable housing supply.

Another positive development is the continued improvement in Colorado Springs' relative affordability. The **Cost of Living Index for the Colorado Springs MSA {Page 3}** improved during the first quarter of 2026 to 98.9% of the national average, compared to 100.9% in 2025. Many residents still feel the effects of higher housing, insurance, and everyday costs, but relative affordability remains important for regional competitiveness. If Colorado Springs can remain more affordable than comparable markets, it will be better positioned to attract and retain employers and workers. While this does not eliminate national inflationary pressures, it demonstrates that Colorado Springs remains competitive from a cost-of-living perspective.

Local Wages {Page 4} are also moving in the right direction, although the region still has work to do. Quarterly Census of Employment and Wages data shows average annual wages in El Paso County increased from \$67,548 in 2024 to \$70,899 in 2025. Local wage growth slightly outpaced Colorado overall, narrowing the gap with state and national averages. Even so, El Paso County wages remain approximately 15.8% below the Colorado average and 9.9% below the national average. Closing this gap should remain a priority, particularly given the nationwide shortage of workers discussed above. Attracting and retaining young workers will require both competitive wages and affordable housing.

Local consumer spending, as reflected in **Sales and Use Tax {Page 7}** collections, increased 4.1% year-over-year in May, although collections declined modestly from April. While this may seem positive, I will once again stress that these dollars are not inflation adjusted. Doing back-of-the-envelope math, a 4.1% increase in sales and use tax collections alongside a 4.2% inflation rate equals flat increases in local tax revenues. The macroeconomic environment discussed above is relevant here, but we also need to factor in our continued population growth. We have the advantage of people still moving to El Paso County (which is not true in many pockets across the U.S.), and those additional people/families should be pushing sales and use tax up. As such, I would expect better-than-flat, local tax revenues – but that's not the case.

Hotel Occupancy {Page 7} improved seasonally from 65.0% in April to 72.1% in May, with revenue per available room or **RevPAR, {Page 7}** also increasing. Data for 2025 show the Pikes Peak region continued to experience growth in both visitation (25.6 million visits) and visitor spending (\$3.1 billion) - metrics to be proud of. This is further reflected in **Colorado Springs Airport Enplanements {Page 7}**, which remained relatively stable year-over-year and well above pre-pandemic levels. All in, Colorado Springs continues to be an outstanding place to visit—and, I would ardently argue, to live.

Tatiana & Rebecca

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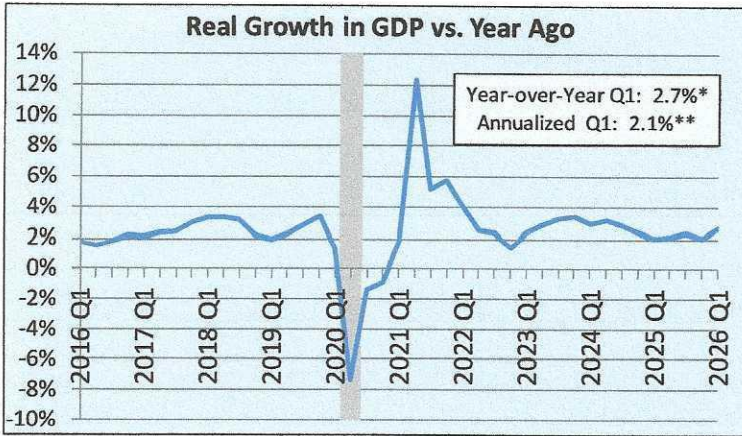
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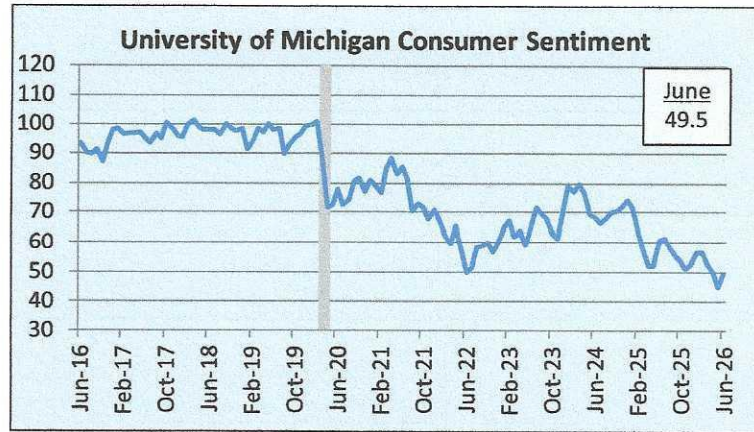
[Page 7 - Taxation, Vehicles, Air & Tourism](#)

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MACROECONOMIC "BIG PICTURE" (PAGE 3)



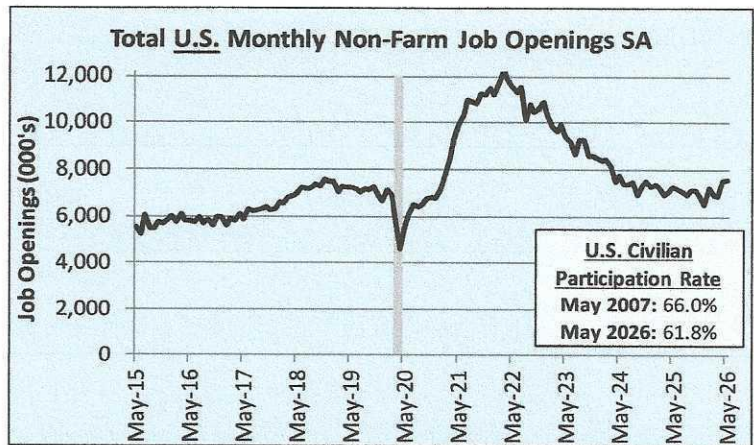
*Estimate of real GDP percent change from same quarter a year ago, SA
 **If quarterly changes were annualized over the year.
 Source: U.S. Bureau of Economic Analysis



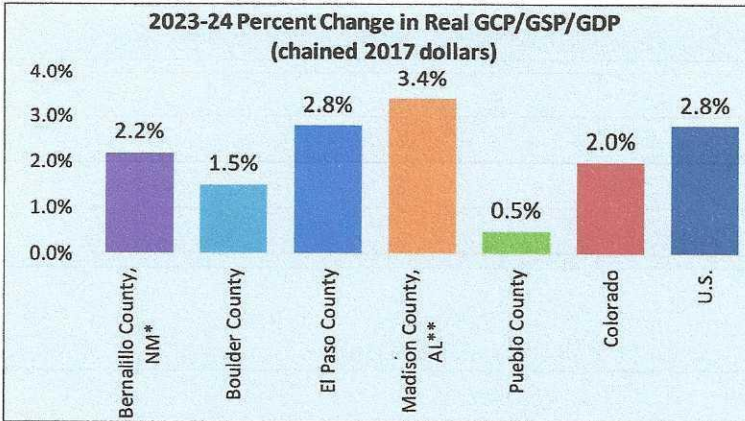
Source: University of Michigan

	2024 Actual	2025 Actual	2026 Forecast	2027 Forecast
Real GDP Growth	2.8%	2.1%	1.9%	1.5%
Unemployment Rate	4.0%	4.3%	4.5%	4.8%

*Rate is actual average for 2025 excluding October which is unavailable due to the government shutdown.
 Forecasts by Data-Driven Economic Strategies with input from the Conference Board, Wells Fargo, Colorado Department of Labor & Employment, and other anecdotal resources.
 Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics



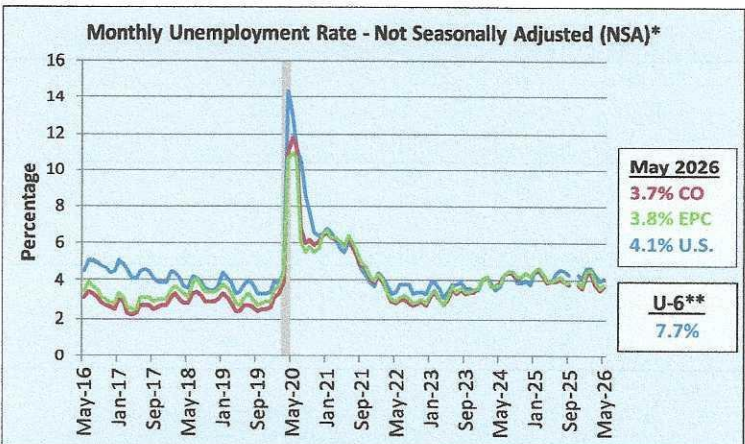
Source: U.S. Bureau of Labor Statistics; Job openings data lags.



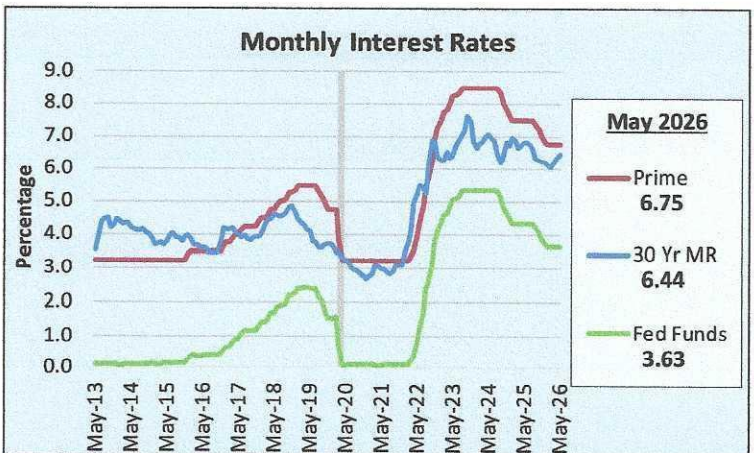
Note: Data includes military. This regional data lags ~23 months.
 *This county makes up all of Albuquerque, NM.
 **This county makes up half of Huntsville, AL.
 Source: U.S. Bureau of Economic Analysis

	All items	Less food & energy
Change from April to May 2026 (SA)	0.5%	0.2%
Last 12-months (NSA)	4.2%	2.9%

The 2026 Q1 cost of living in the Colorado Springs MSA was 98.9% of the U.S. according to C2ER data provided by the CS Chamber & EDC.
 Source: U.S. Bureau of Labor Statistics; all urban consumers (CPI-U)



Note: Data in the graph is NSA to enable comparisons with counties. Local data is delayed until May this year.
 *Seasonally adjusted, the U.S. rate in May was 4.3%.
 **U-6 includes unemployed, those marginally attached to the labor force, plus those employed part time who would prefer full-time work.
 Sources: U.S. Bureau of Labor Statistics; CO Dept. of Labor & Employment



Source: Board of Governors of the Federal Reserve System

LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Colorado Springs MSA May 2026

Top Job Titles	# of Job Postings	Median Advertised Salary
Registered Nurses	788	\$93,440
Retail Salespersons	563	\$35,712
Heavy & Tractor-Trailer Truck Drivers	450	\$75,136
Software Developers	439	\$145,152
Computer Sys Engineers/Architects	370	\$139,776
1st-Line Supervisors, Retail Sales	295	\$48,000
Customer Service Reps	239	\$41,600
Personal Care Aides	224	\$40,576
Medical & Health Services Managers	220	\$73,472
Secondary School Teachers	199	\$65,792

Colorado Springs MSA, May 2026

TOTAL Job Openings: 19,809

TOTAL Unemployed: 14,639

Workers Available per Job Opening: 0.74

Sources: The Conference Board®-Lightcast® Help Wanted OnLine® via Pikes Peak Workforce Center; CO Dept. of Labor & Employment

2024 Federal Poverty Level (FPL)		
	El Paso County	U.S.
% people at FPL or below	8.5%	12.1%

Note: FPL in 2024 was \$15,060 for an individual and \$31,200 for a family of four.

2025 Average Annual Wages for All Industries

El Paso County wages are
9.9% lower than U.S. wages
and 15.8% lower than CO wages.

U.S.	Colorado	El Paso County
\$78,722	\$84,157	\$70,899
2025 El Paso County Total Employment*		307,996
*Estimated military employment in 2024 (and % of total 2024 EPC who are military).		59,183 (16.1%)

2025-26 Minimum Wage & Living Wage El Paso County

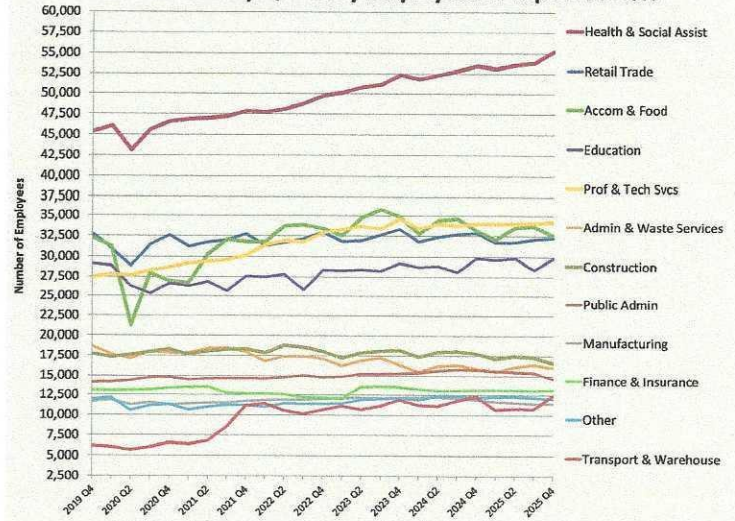
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$15.16	\$31,533
Living wage: HHs with 1 adult, 2 children	\$62.65	\$130,312
Living wage: HHs with 2 adults (1 working), 2 children	\$42.89	\$89,211
Living wage: HHs with 2 adults* (2 working), 2 children	\$32.52	\$67,642

*Living wage is for each working adult. For specifics, go to livingwage.mit.edu.

*QCEW data does not include military-related employees.

Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW; Local military installations; U.S. Census Bureau, American Community Survey 1-year estimates; U.S. Department of Health & Human Services; MIT Living Wage Calculator

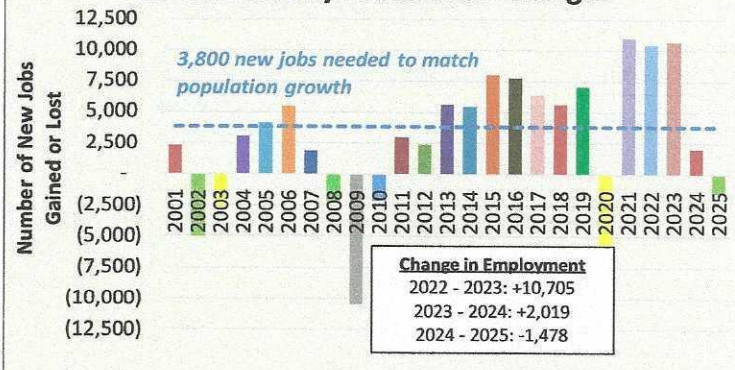
El Paso County Quarterly Employees in Top 12 Sectors



Top Growing Industries from 2019 Q4 to 2025 Q4

Transportation & Warehousing: +101.8%
Professional & Technical Services: +24.7%
Health & Social Assistance: +21.8%
Public Administration: +3.2%
Educational Services: +2.5%

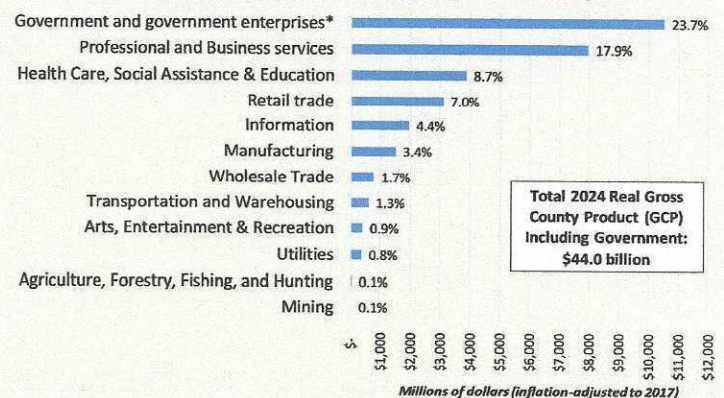
El Paso County Annual Job Changes



An estimated 3,800 new jobs are needed based upon population growth and age composition. This QCEW data lags up to three quarters and includes public and private employment, but not military-related employees.

Source: Colorado Dept. of Labor & Employment, Quarterly Census of Employment and Wages (QCEW)

Real GCP Contribution by Private Sectors, El Paso County, 2024



*Government and Government Enterprises sector includes market and nonmarket goods/services. Examples of nonmarket include public safety and education, and market enterprises include postal service, airports, utilities (in some regions), transit systems, etc.

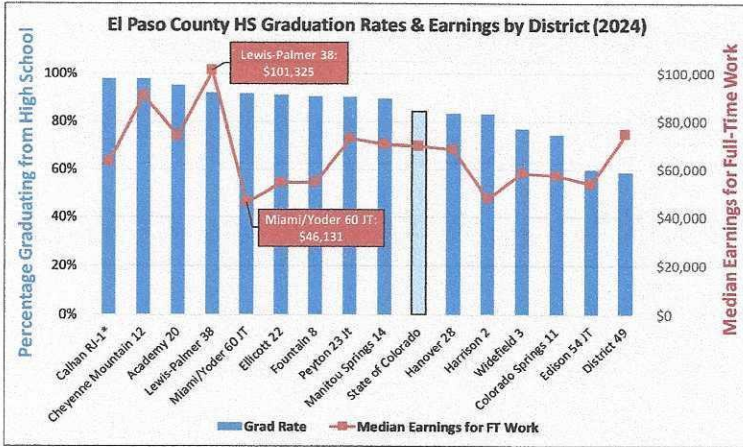
GCP (local) data lags by approximately 23 months. GCP is the same as GDP for the nation but at the local level.

Source: U.S. Bureau of Economic Analysis

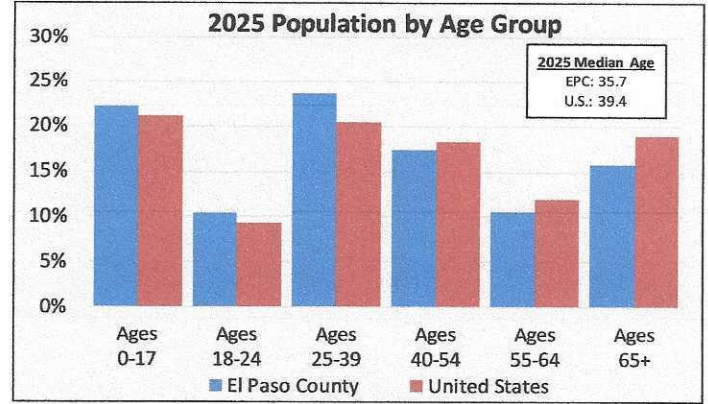
DEMOGRAPHICS (PAGE 5)

Population Estimates		
	2025	2060
El Paso County	757,067	1,023,604
Colorado	5,989,882	7,544,962

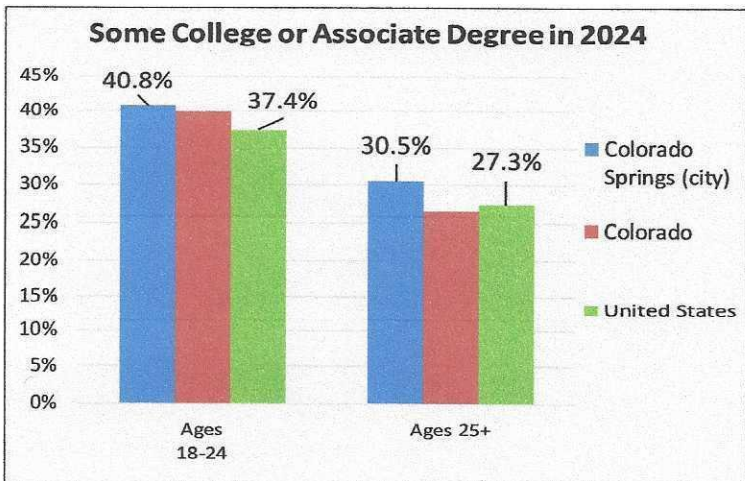
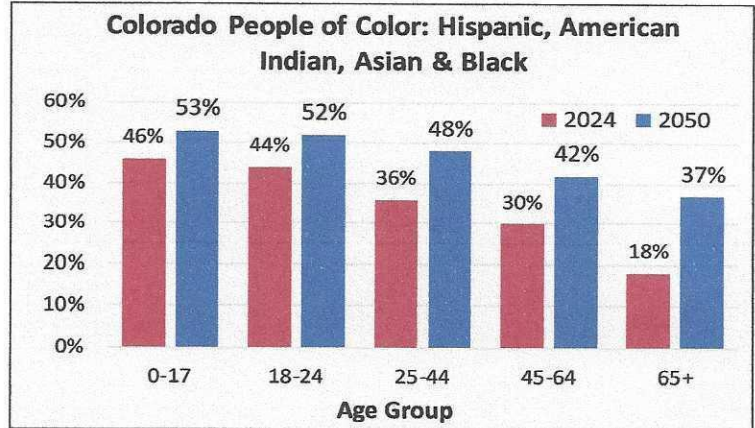
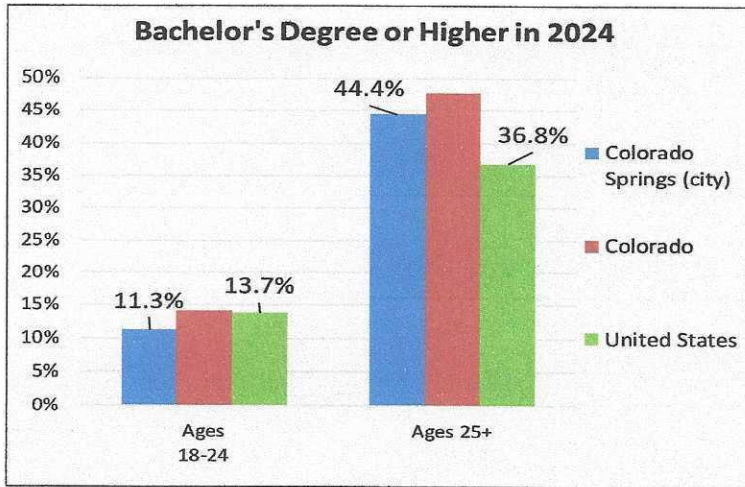
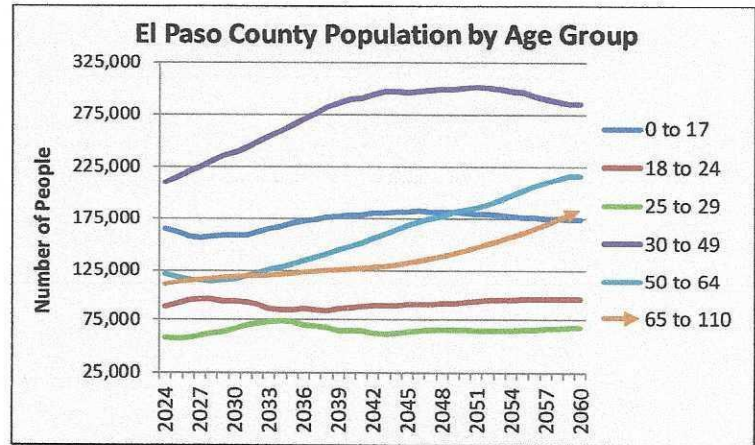
The City of Colorado Springs had a population of 494,808 in 2024.
Source: Colorado State Demography Office



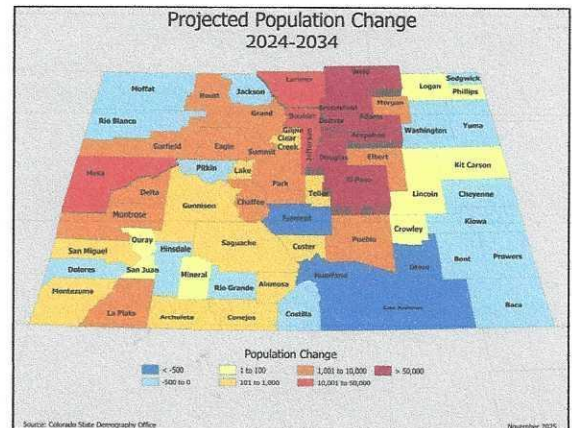
Note: Calhan, Ellicott, Peyton, Hanover, Edison, and Miami/Yoder districts all have fewer than 100 students. District 49 has a significant number of online students, which pull down the districtwide average. (Without the largest online school, the district average is 87%.) *Calhan had ≥ 98% graduation rate.
Sources: Colorado Department of Education; U.S. Census Bureau, American Community Survey 5-year estimates



Source: U.S. Census Bureau, Population Division

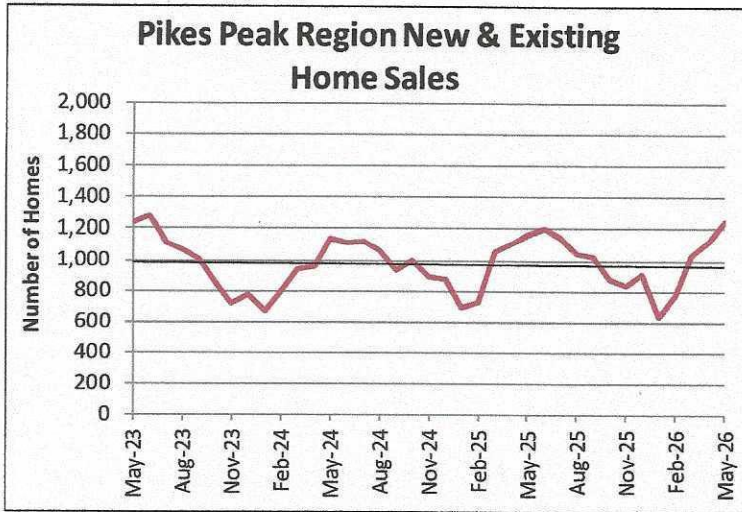


Source: U.S. Census Bureau, American Community Survey 1-year estimates

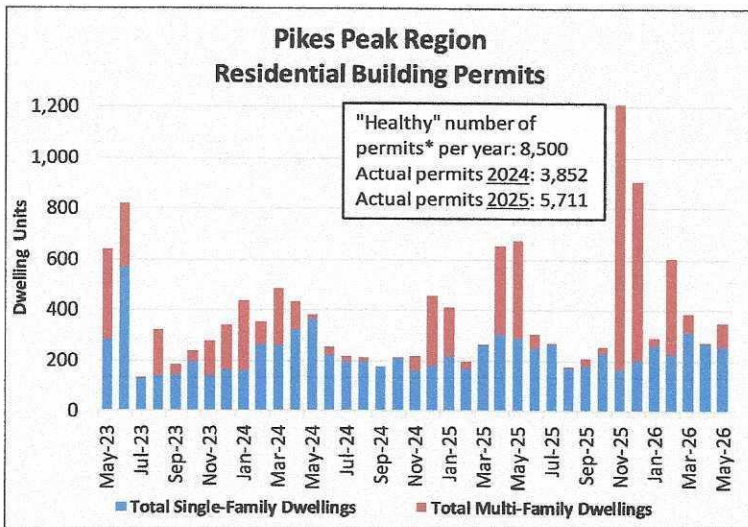


Note: The Colorado People of Color data is vintage 2024.
Source: Colorado State Demography Office

REAL ESTATE (PAGE 6)



Source: Pikes Peak REALTOR® Services Corp.



*The methodology for "healthy permits" now includes single-family and multi-family dwellings needed if we incorporate both population growth and the existing shortage of housing between 2023 and 2028. These calculations by Data-Driven Economic Strategies incorporate research by Common Sense Institute and input from the Colorado State Demography Office. The National Association of REALTORS® has calculated that the U.S. has underbuilt roughly 6.5 million homes since the Great Recession. Source: Pikes Peak Regional Building Department

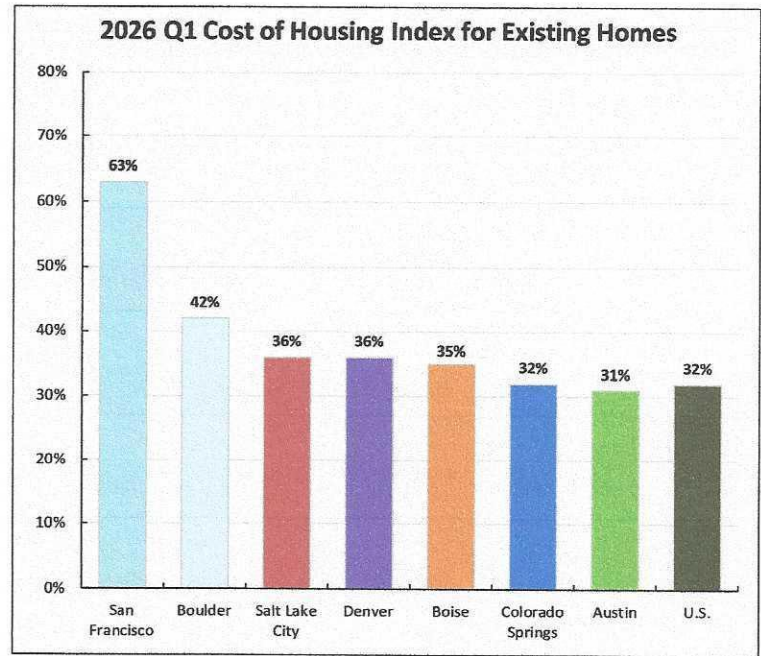


Sources: CoStar Group™; Olive Real Estate Group, Inc.

Median Existing Single-Family Home Price 2026 Q1

Location	Colorado Springs	Denver	Boise	United States
Price	\$459,500	\$641,300	\$484,000	\$404,300
1-year % Change	1.1% decrease	1.0% decrease	0.7% decrease	0.5% increase
MSA Rank	53	23	43	n/a

Sources: National Association of REALTORS®



Notes: The Cost of Housing Index (CHI) is defined as the percentage of the local median pre-tax income needed for mortgage payments, based on standard mortgage underwriting criteria. It includes only existing home prices. Sources: National Association of Home Builders; Wells Fargo

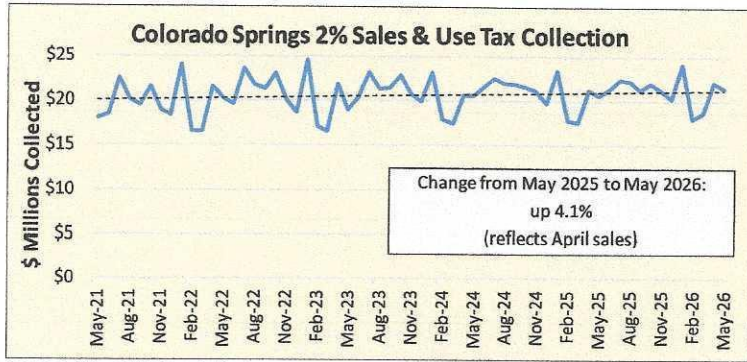
Apartment Rental Information

	Colorado Springs	Denver	Salt Lake City
Market Conditions 2025 Q4	Soft	Soft	Slightly Soft
Vacancy Rate 2024 Q4	14.4%	11.4%	10.8%
Vacancy Rate 2025 Q4	13.1%	12.2%	11.3%
Average Rent 2024 Q4	\$1,504	\$1,839	\$1,622
Average Rent 2025 Q4	\$1,457	\$1,777	\$1,591

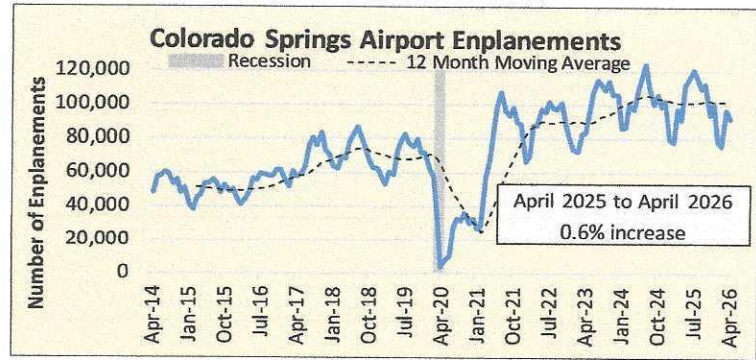
Source: U.S. Department of Housing & Urban Development (HUD), U.S. Market Conditions report

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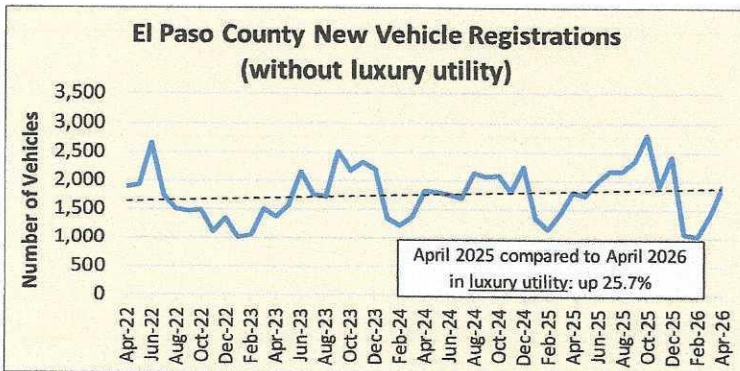
TAXATION, VEHICLE SALES, AIR QUALITY, AND TOURISM (PAGE 7)



Source: City of Colorado Springs

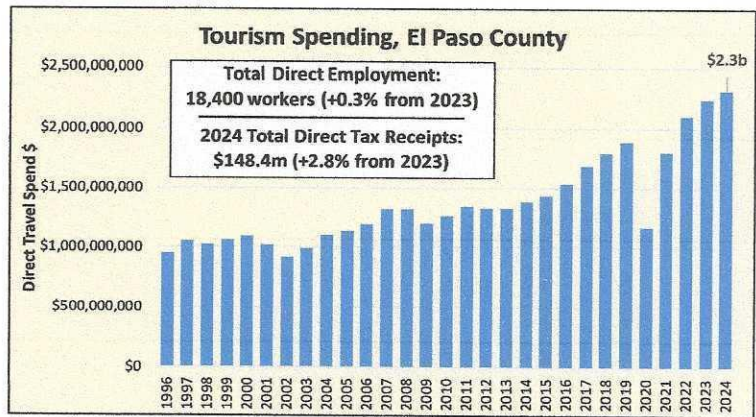


Source: Colorado Springs Airport



Luxury utility categories (all terrain, camper trailer, trailer coach and trailer utility) are not included in graph line above, but % change in this category is noted in text box.

Source: Colorado Interactive LLC



Note: Direct travel includes day and overnight visitors.

Source: Colorado Tourism Office

2025 Air Quality		
	Colorado Springs*	U.S. Standard
Carbon Monoxide (CO) Concentration (ppm)	0.7	9.0
Particulate Matter ($\mu\text{g}/\text{m}^3$)	4.74	9.00
Ozone (ppm) at USAFA	0.068	0.070
Ozone (ppm) at Manitou Springs	0.073	0.070

*Locations of measurements: CO and Particulate Matter at Colorado College

Source: Colorado Department of Public Health & Environment

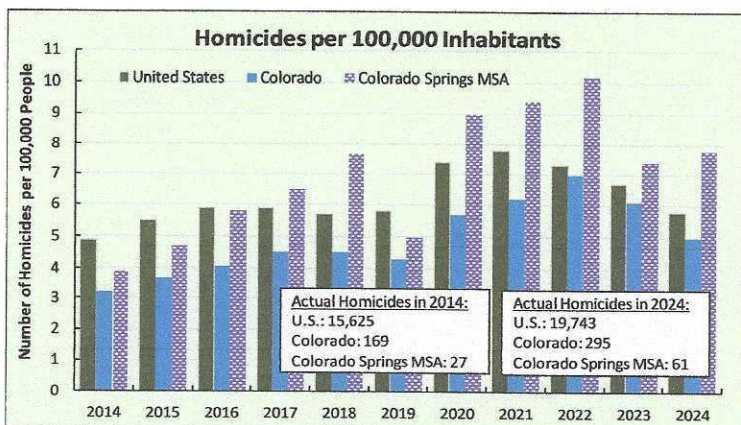
Hotel Occupancy Rate May 2026	
Colorado Springs	Denver
72.1%	72.2%

Hotel RevPAR* May 2026	
Colorado Springs	Denver
\$95.35	\$113.91

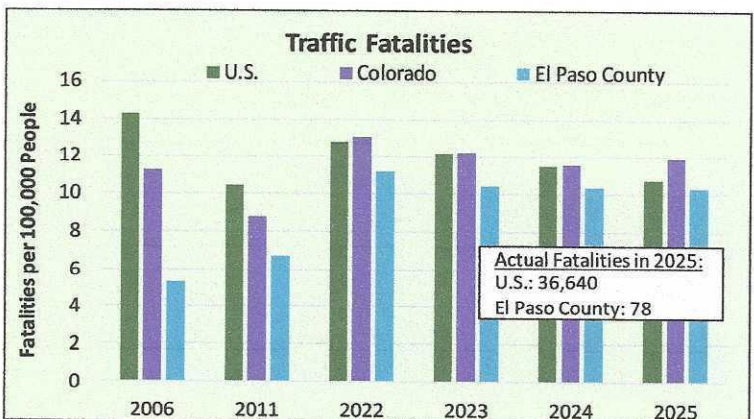
*RevPAR measures hotel revenue by taking the average room rate times hotel occupancy.

Source: CoStar Group™; Olive Real Estate Group, Inc.

CRIME & SAFETY (PAGE 7)



Source: United States Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, Underlying Cause of Death on CDC WONDER online Database.



Sources: National Highway Safety Administration; Colorado Department of Transportation; World Bank; U.S. Census Bureau; Colorado State Demography Offices; Data-Driven Economic Strategies

2023 Mortality Rates due to Homicide per 100,000 Population				
Canada	Germany	Italy	Japan	United States
2.0	0.9	0.6	0.2	5.8

Sources: UN, World Population Prospects (2024); United Nations Office on Drugs and Crime (2025) – with major processing by Our World in Data

Note: "Each year when Crime in the United States is published, some entities use reported figures to compile rankings of cities and counties. These rough rankings provide no insight into the numerous variables that mold crime in a particular town, city, county, state, or region. Consequently, they lead to simplistic and/or incomplete analyses that often create misleading perceptions adversely affecting communities and their residents. Valid assessments are possible only with careful study and analysis of the range of unique conditions affecting each local law enforcement jurisdiction. The data user is, therefore, cautioned against comparing statistical data of individual reporting units from cities, metropolitan areas, states, or colleges or universities solely on the basis of their population coverage or student enrollment."

- Federal Bureau of Investigation

Sworn Police Officers Per 10,000 Inhabitants in 2025	
City of Colorado Springs	15.1
City of Boise	13.7
Kansas City	21.6
City of Omaha	16.1

Sources: Federal Bureau of Investigation, Uniform Crime Report; U.S. Census Bureau, Population Division

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SUPPORTERS (PAGE 8)



THANK YOU!